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SUBJECT: SCENESETTER FOR THE UN CONFERENCE ON CLIMATE CHANGE

REF: WARSAW 1271

¶1. (SBU) Summary. Poland's government recognizes that the on-going Fourteenth United Nations Conference on Climate Change in Poznan (due to enter its High Level segment later this week) is largely a waypoint on the road to next year's Fifteenth UN Conference in Copenhagen. It nonetheless views Poznan as an opportunity to showcase Poland on a global stage while drawing business and technology more closely into the UN Climate Change process. Even as it stages the conference, the GoP is struggling within the European Union to reduce the cost the EU's own climate change package could impose on Poland's heavily coal-dependent power sector. That endgame may well play itself out over the final days in Poznan.

¶2. (SBU) The Poznan Conference comes on the heels of several high-profile bilateral successes: the August signing of the Missile Defense Agreement; the successful conclusion of a five-year Polish deployment in Iraq; and the simultaneous strengthening of support for the NATO mission in Afghanistan. These achievements reflect the changing nature of our relationship with Poland, which increasingly has become a proactive, collaborative partner on regional and global issues. End Summary.

Poland on Climate Change/Emissions Caps

¶3. (SBU) Poland's views on climate change are not deeply held nor broadly developed. Interest in climate change is measurably lower than almost anywhere else in the EU, a fact reflected in polling numbers and the limited media attention given to related events. Poles in general don't feel deeply responsible for this global problem, nor do they feel that they will have a particularly important role in solving it. The GoP's policy response is driven by an expectation that mandatory reductions of CO2 emissions would have a crippling cost for Poland's coal-based power sector and would make Poland even more dependent on gas and oil imports from a single source - Russia. Climate change policy is thus tightly tied to national security policy.

¶4. (SBU) On the global stage, Poland has reached out as far as China in search of potential partners among countries concerned about the impact of emissions reductions on domestic coal industries and prospects for economic development. As hosts of the Poznan Conference, Poland has sought a higher profile for industry representation in the

discussions and has advocated, with seemingly limited success, for a sectoral approach to emissions targets which they feel would be beneficial to their carbon-intensive industries. The bulk of Poland's recent robust efforts on climate diplomacy have centered around blocking a deal on the European Climate Package, which would impose particularly stringent and costly caps on coal-based power generators. Poland has drawn attention to itself (both positive and negative) by pulling together a blocking minority in Brussels to stall the package in an effort to force their interests onto the table.

The Bilateral Relationship: A Global Partner

¶5. (SBU) Poland increasingly sees itself as a regional and global player. Poland's commitment and active engagement in Iraq began in the first days of Operation Iraqi Freedom and continued with distinction until its last troops returned on October 28. Poles were among the first members of the coalition to commit troops to Iraq. Their deployment lasted five years and as they withdrew from Iraq, the Poles plussed up their mission in Afghanistan. They currently have about 1600 troops in Afghanistan and are working to increase political and economic engagement. We appreciate their support and recognize the losses they suffered during the Iraq mission - twenty-two Polish soldiers died and seventy were wounded over the course of their deployment.

¶6. (SBU) The country has also tried to take the lead in shaping major EU policies like emissions control, energy security and Eastern Policy, particularly relations with

WARSAW 00001394 002 OF 002

Russia, Ukraine, Belarus, and the Caucasus region. Poland has transitioned from an aid recipient to an assistance provider targeting countries of strategic interest such as Afghanistan, Belarus, Ukraine, Moldova and Georgia. Together with the US, Poland was a strong voice in support of Georgia during the August crisis. During the recent financial crisis, Poland pledged \$200 million to support the IMF bailout of Iceland - a dramatic turnaround.

¶7. (SBU) Secretary Rice traveled to Warsaw in August to sign an agreement to station ten missile interceptors on Polish territory in Redzikowo, near the northwest city of Slupsk (pronounced Swoopsk). The signing marked the conclusion of 18 months of tough but cordial negotiations. The interceptors have no warheads as they are designed to destroy ICBMs through kinetic energy, and pose no offensive threat. We are currently negotiating a Status of Forces Agreement and the necessary Implementing Agreements that would allow us to begin actual deployment by 2012, subject to a planned review by the incoming U.S. administration. Public support for the system ticked up in August, when the popular Tusk government communicated that it had driven a hard bargain and struck a good deal with the U.S. The disproportionate use of Russian force in Georgia also served to convince Polish public opinion of the benefits of an enhanced security relationship with the U.S. at a time when Russia is flexing its muscles.

¶8. (U) Poland is not a major U.S. trading partner, but American companies are an important source of investment - over \$15 billion since the fall of communism in 1989. Household names like GM, Dell, and Whirlpool make goods and services here - for the domestic market and for export elsewhere in the EU - and are broadly very positive about their experience. Poland's economy continues to perform well despite the current global economic storm. Recent years' strong GDP growth between 6-7 percent has cooled to 4.8 percent in the third quarter, with low unemployment (6.4 percent) and moderate inflation (4.3 percent). Poland's financial system has felt only ripples of the crisis consuming financial markets elsewhere, though economists expect growth to continue slowing together with weakness

among Poland's trade and investment partners.

The Mood

¶9. (SBU) There is great interest in the U.S. transition along with some uncertainty about what it might mean for missile defense - which for Poles is more about US engagement than about global concerns. Besides these prominent issues, there are persistent frictions surrounding U.S. visa policy and the Visa Waiver Program. We regularly hear the message that Poland is a loyal strategic partner, who committed and engaged early in Iraq; in Afghanistan the Poles have fought with no restrictive caveats like other ISAF partners. In the same breath, Poles will voice their disappointment that its citizens still require visas to visit the U.S. (Poland's failure to qualify for the Visa Waiver Program this year was particularly painful, since neighbors such as the Czech Republic started traveling visa-free on November 21.) The undercurrent is: "We've done all these things for the benefit of the U.S. - Iraq, Afghanistan, buying F-16s and now agreeing to missile defense...but what have you done for us?" Despite these frictions, we are still seen as their strongest single ally.

¶10. (SBU) You are visiting a dynamic Poland that has undergone dramatic changes since its return to full independence in 1989. Poland is increasingly confident in the EU as well as on the regional and global stage. Despite crosswinds from the financial crisis, it is an economy that has flourished by rapidly adopting free-market economic principles and fostering democratic values. Our partnership has rapidly transformed from one of bilateral assistance and cooperation to one based on broadly shared values and mutual interest in multilateral fora. While the Poles increasingly see themselves as an EU member and a regional leader, they continue to value their relationship with the U.S.
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